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18534

December 20, 1993

DEC 20 1993 - 10 25 AM

New Recordation No.

INTERSTATE COMMERCE COMMISSION

Dear Mr. Strickland:

On behalf of NationsBanc Leasing Corporation, I submit for filing and recording under 49 U.S.C. § 11303(a) and the regulations promulgated thereunder, executed counterparts of a primary document, not previously recorded, entitled Note and Security Agreement ("Agreement") dated November 15, 1993.

The parties to the enclosed Agreement are:

NationsBanc Leasing Corporation
2059 Northlake Parkway, 2 N
Tucker, Georgia 30084

- SECURED PARTY

Kyle Railroad Company
3rd & Railroad Avenue
Phillipsburg, Kansas 67661

- DEBTOR

The said Agreement, among other things, acts to create a security interest in the equipment listed therein by the Debtor to the Secured Party.

The equipment covered by the instant Agreement is identified as four (4) GP 30 locomotives, numbers CR2200, CR2202, CR2210 and CR2238.

A short summary of the Agreement to appear in the ICC Index is as follows:

"Covers 4 GP 30 locomotives CR2200, 2202, 2210 & 2238."

Enclosed is a check in the amount of eighteen dollars (\$18.00) in payment of the filing fee.

Once the filing has been made, please return to bearer the stamped counterpart(s) of the document not required for filing purposes, together with the fee receipt, the letter from the ICC acknowledging the filing, and the two extra copies of this letter of transmittal.

Very truly yours,

Allen H. Harrison, Jr.
Allen H. Harrison, Jr.
Attorney for NationsBanc Leasing Corporation
for the purpose of this filing.

Honorable Sidney L. Strickland, Jr.
Secretary
Interstate Commerce Commission
Washington, D.C. 20423
Enclosures
BY HAND

8357-020

Interstate Commerce Commission
Washington, D.C. 20423

12/20/93

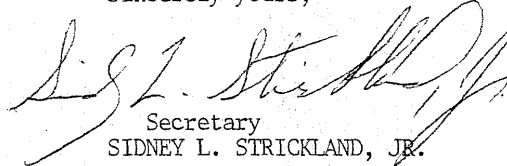
OFFICE OF THE SECRETARY

Allen H Harrison, Jr.
Donelan, Cleary, Wood & Masser
1275 K St N.W. Suite 850
Washington, D.C. 20005

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions
of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303,
on **12/20/93** at **10:25am**, and assigned
recordation number(s). **18534**

Sincerely yours,


Secretary
SIDNEY L. STRICKLAND, JR.

Enclosure(s)

ANNEX A
TO NOTE AND SECURITY AGREEMENT

This Annex A constitutes an integral part of Note and Security Agreement No. 04708-00701 dated 11/15/93, 1993, (the "Note"), between Kyle Railroad Company ("Debtor") and NationsBanc Leasing Corporation ("Secured Party"). Unless otherwise defined herein, capitalized terms contained herein shall have the same meaning as set forth in the Note.

The following provisions are hereby made a part of and incorporated into the Note:

(a) Debtor agrees to comply in all respects with all laws of the jurisdictions in which the Collateral may be operated, with all applicable rules of the Association of American Railroads, and with all laws, rules, regulations and orders of the Department of Transportation and the Interstate Commerce Commission and any other federal, state or local legislative, executive, administrative or judicial body exercising any power of jurisdiction over the Collateral (collectively, "Applicable Laws"). In the event that any Applicable Law requires the alteration of any Collateral, or in case any Collateral or accessory or attachment thereto shall be required to be changed or replaced, or in case any additional or other accessory or attachment is required to be installed on any Collateral in order to comply with Applicable Laws, Debtor agrees to make such alterations, changes, additions and replacements at its own expense; and Debtor agrees at its own expense to use, store, maintain and operate the Collateral in full compliance with the Applicable Laws throughout the term of this Note.

(b) In addition to its covenants and agreements under the Note regarding the location of the Collateral, Debtor agrees that the Collateral will be used primarily in the continental United States and that Debtor will use its best efforts to cause any Collateral which is used outside of the continental United States to remain outside of the continental United States for the shortest possible time.

(c) In addition to its covenants and agreements under the Note regarding financing statements, Debtor agrees that it will, at its expense prior to the delivery and acceptance of any Collateral under the Note, cause the Note to be filed and recorded with the Interstate Commerce Commission in accordance with Section 11303 of the Revised Interstate Commerce Act and the regulations promulgated thereunder. All referenced in the Note to "financing statements" shall be deemed to include filings and recordations with the Interstate Commerce Commission.

(d) Debtor shall maintain on each side of each item of Collateral the following identification in block letters not less than two inches high: "NATIONSBANC LEASING CORPORATION, SECURED PARTY", or other appropriate words designated by Secured Party, with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the rights of the Secured Party under this Note. Debtor will not place any Collateral in operation or exercise any control or dominion over the same until such names and words shall have been so marked on both sides thereof and will replace promptly any such markings which may be removed, defaced or destroyed.

(e) Debtor shall maintain on each unit of Collateral the serial and other identifying numbers set forth on page one of the Note under the heading "Equipment", and Debtor will not change the identifying the identifying number of any Collateral except in accordance with a statement of new identifying numbers to be substituted therefor, which statement previously shall have been delivered to Secured Party by Debtor and filed, recorded or deposited by Debtor in all public offices where this Note or any notice thereof shall have been filed, recorded or deposited.

(f) Except as provided in the preceding clauses (d) and (e), Debtor will not allow the name of any person, corporation or other entity to be placed on any Collateral that might be interpreted as a claim of ownership; provided, however, that Debtor may cause Collateral to be lettered with the names or initials or other insignia customarily used by Debtor on railroad equipment used by Debtor of the same or similar type.

In the event of any inconsistency between any provision of this Annex A and any other provision(s) of the Note, the provisions of the Annex A shall be controlling, but only to the extent of such inconsistency.

NATIONSBANC LEASING CORPORATION

By: Melody E. Hause

Printed Name: Melody E. Hause
Assistant Vice President

Title: _____

RYLE RAILROAD COMPANY

By: [Signature]

Printed Name: Lynn T. Cecil

Title: President

STATE OF ARIZONA
COUNTY OF Maricopa

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)
) SS:

On this 15th day of November, 1993, before me, personally appeared LYNN T. Cecil, to me personally known, who being by me duly sworn, says that (s)he is the PRESIDENT of KYLE RAILROAD COMPANY, that the seal affixed to the foregoing Note and Security Agreement No. 04708-00701 is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of said instrument was the free act and deed of said corporation.

Demaris K. Williams
Notary Public

(Seal)

My Commission expires:

August 1, 1996

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STATE OF Georgia
COUNTY OF DeKalb

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)
) SS:

On this 17th day of December, 1993, before me, personally appeared Melody House, to me personally known, who being by me duly sworn, says that (s)he is the Asst. Vice Pres. of NATIONS BANC LEASING CORPORATION, that the seal affixed to the foregoing Note and Security Agreement No. 04708-00701 is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of said instrument was the free act and deed of said corporation.

William Myers
Notary Public

(Seal)

My Commission expires:

Notary Public, Gwinnett County, Georgia
My Commission Expires June 29, 1994